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18 U.S. EQUAL EMPLOYMENT  
19 OPPORTUNITY COMMISSION

20 UNITED STATES DISTRICT COURT

21 DISTRICT OF GUAM

22 U.S. EQUAL EMPLOYMENT  
23 OPPORTUNITY COMMISSION,

24 Plaintiff,

25 v.

26 LEO PALACE RESORT,

27 Defendant.

28 JENNIFER HOLBROOK; VIVIENE  
VILLANUEVA; and ROSEMARIE  
TAIMANGLO,

Plaintiff-Intervenors,

v.

MDI GUAM CORPORATION d/b/a LEO  
PALACE RESORT MANENGGON  
HILLS and DOES 1 through 10,

Defendants.

**FILED**  
DISTRICT COURT OF GUAM

SEP 24 2007

**JEANNE G. QUINATA**  
Clerk of Court

Case No.: 2:06-CV-00028

DECLARATION OF ANGELA  
MORRISON IN SUPPORT OF  
PLAINTIFF EEOC'S OPPOSITION  
TO DEFENDANT'S PARTIAL  
MOTION FOR SUMMARY  
JUDGMENT

**ORIGINAL**

1 I, Angela D. Morrison, declare and state:

2 1. I am a Trial Attorney employed at the Las Vegas Local Office, Los Angeles  
3 District Office of the United States Equal Employment Opportunity Commission. I have  
4 personal knowledge of the facts stated herein, and if called as a witness to testify as to the  
5 matters stated herein, I could and would competently do so.  
6

7 2. Attached hereto as Exhibit 1 are true and correct copies of documents Bates  
8 stamped numbers LPR 00002, 00003, 00004, 00006, 00028, 00039, 00058, 00091,  
9 00134, 00139, 00182, 00183, 00184, 00185, 00186, 00187 provided to the EEOC by  
10 Defendant Leo Palace via discovery. The documents are redacted to protect personal  
11 information such as social security numbers, home addresses, home telephone numbers,  
12 and dates of birth. In addition LPR 00187 is redacted pursuant to Fed. R. Evid. 408.  
13  
14

15 3. Attached hereto as Exhibit 2 are true and correct copy of excerpts of the  
16 deposition transcript of Vivienne Villanueva.  
17

18 4. Attached hereto as Exhibit 3 are true and correct copy of excerpts of the  
19 deposition transcript of Jennifer Holbrook.  
20

21 5. Attached hereto as Exhibit 4 are true and correct copy of excerpts of the  
22 deposition transcript of Rosemarie Taimanglo.

23 6. Attached hereto as Exhibit 5 are true and correct copy of excerpts of the  
24 condensed deposition transcript of Gregory Perez.  
25

26 7. Attached hereto as Exhibit 6 are true and correct copy of excerpts of the  
27 deposition transcript of May Paulino.  
28

8. Attached hereto as Exhibit 7 are true and correct copy of excerpts of the deposition transcript of Satoshi Suzuki.

9. Attached hereto as Exhibit 8 are true and correct copy of excerpts of the deposition transcript of Yutaka Maruyama.

10. Attached hereto as Exhibit 9 is a true and correct copy of the Treatment Summary for Rosemarie Taimanglo prepared by Dr. Lilli Perez Iyechad.

11. Attached hereto as Exhibit 10 is a true and correct copy of the Treatment Summary for Jennifer Holbrook prepared by Dr. Lilli Perez Iyechad.

12. Attached hereto as Exhibit 11 is a true and correct copy of the Treatment Summary for Jennifer Holbrook prepared by Tom Babauta, MSW.

13. Attached hereto as Exhibit 12 is a true and correct copy of the Treatment Summary for Vivienne Villanueva prepared by Tom Babauta MSW.

14. Attached hereto as Exhibit 13 are true and correct copy of excerpts of the deposition transcript of Tom Babauta, MSW. The transcript is redacted to protect the privacy of a third-party.

I declare under penalty of perjury that the foregoing is true and correct. Executed  
this 24th day of September, 2007, at Las Vegas, Nevada.

Angela D. Morrison  
Angela D. Morrison

# **Exhibit 1**



Adolpho Palacios  
President

# PALACIOS SECURITY AGENCY

P.O.Box 24433 GMF  
Barrigada, GU 96921-4433

Tele/Fax: 477-0501

August 16, 2004

To: Ms. Mae Paulino/HR  
Subject: Incident Report, Re: Terminated Employee

On 8/14/04, I was with Mr. Ijima at Condo-E, interviewing the Guest of #409, regarding a missing jewelry bag. After finishing at Condo-E, we went over to talk with Lito at Condo-C. A GPD Officer was with us.

At 11:40AM, 8/14/04, we were at Condo-C to talk with Lito. While at Condo-C, the Cell phone of Mr. Ijima rang. Mr. Ijima was talking, in Japanese, and my impression is that he was talking with someone higher than him, because in the way he was talking. After finishing talking, Mr. Ijima remarked to the effect, about a terminated employee now being at the Hotel staying. I later gathered that it was Christina Camacho.

We went to the Hotel about 12:30PM. Mr. Ijima instructed me to place a Security Guard on the Lobby Floor, because of the subject terminated employee. I instructed a Security Guard to remain on the Lobby Floor, until the Front Desk employees get off at 2:45PM.


While at the Lobby, I asked one of the Front Desk Clerk where is the subject employee staying. I was told that the Subject employee is staying at Condo-E, second, but as a Guest of an active Employee, who rented the room. I did not ask for the name of the Renter. I also asked the Front Desk Clerk what time they would be getting off. I was told it would be at 2:45PM. I told them that the Security Guard will accompany them to time-out, and that I will be Upstairs when they will board the Van to the Employee Parking Lot.

At 2:45PM, the three (3) Front Desk Clerk exited the Hotel and boarded the Van. I followed the Van to the Employee Parking Lot, where I saw all three employees entered their individual vehicles. Their vehicles were parked almost next to each other in the area outside the Employee Parking Lot. This is the area by the road.

All three vehicles left at the same time. I was behind the last car.

On this day, 8/14/04, Security did not receive any complaint about the subject employee. I was not the one to receive the complaint. And I did not know of any incident occurring because of the subject employee. I did not know of any incident occurring until upon learning that the terminated employee was on premises, I took precautionary measures to make sure that the Front Desk Clerks are not disturbed by the subject. I also made sure that they are safe going home after work.

Submitted for your information and record.

  
Captain A. B. Palacios, MPA (Ret. GPD)  
President, General Manager

LPR 00002



Adolpho Palacios  
President

## PALACIOS SECURITY AGENCY


P.O.Box 24433 GMF  
Barrigada, GU 96921-4433  
Tele/Fax: 477-0501

### FOR THE RECORD

On Friday (8/13/04), Human Resources (HR) requested my presence at their office, to escort an employee out of LPR premises, once the employee is served with a termination notice.

An employee named: Christina CAMACHO was served a termination notice in HR office. Upon receipt of the notice, the employee left, and was escorted by the Security Guard, from the HR office to the employee exit door upstairs. I was outside at the parking lot. The terminated employee boarded onto a Pickup Truck and headed towards the ARCH. I followed from behind, all the way to the ARCH. The employee exited the ARCH without incident.

It is a standard procedure that when LPR is serving a termination notice to an employee, that a Security Guard is requested to be present in the office. Then the Guard would escort the employee out of the premises.

  
Captain A.B. Palacios, MPA  
Retired Guam Police  
President/General Manager

LPR 00003

AUG,18,2004

TO: MS. MAY POULINO , MANAGER  
HUMAN RESOURCES DEPARTMENT.

FOR THE FIRST, I WAS DESAPPOINTED IN THIS CASE.  
AS YOU KNOW I AM WORKING LEOPALACE MORE THAN 5 YEARS.  
I TRY MY BEST TO COOPERATE WITH CO-WORKER FOR BEHAPE OF  
COMPANY SINCE I WAS TRANSFERRED HERE FROM JAPAN.

IT WAS HAPPENED ABOUT END OF JUN THIS YEAR.  
I RECEIVED A COMPLAINT FROM MS. ROSE WHO GOT A HARASSMENT  
FROM MS. CHRISTINA.  
AT JUN 30, MR GREG & MS ROSE HAD A MEETING REGARDING  
THIS CASE. THEY WERE DECIDED COMPLAINT TO PARSONAL OFFICE  
WITHOUT ME. THAT I HEARD.

WITHOUT ME MEANS I AM SO BUSY AND MY ENGLISH IS NOT WELL  
AND THEY CAN MAKE A SETTLEMENT THEMSELVES.  
THEY SAID.AFTER THAT I NEVER RECEIVE THIS COMPLAINT FROM  
THEM AND OTHER CO-WORKER.  
I THOUGHT THIS CASE WAS SETTLE IN MY JUDGMENT.

SOMEDAY MS. ROSE ASKED ME ABOUT MS. CHRISTINA FOR FIRE  
WHATEVER THAT TIME,WE NEED MORE STAFF(SHORT STAFF) SO  
I COULD SAY AS SOON AS POSSIBLE WHEN WE GET A NEW  
CO-WORLER.  
AND ALSO THAT TIME , I NEVER HEARD STILL CONTINUALLY  
HARASSMENT.

AT JULY 30, I SAW THEM (ROSE & CHRISTINA) WORKING TOGHTHER  
MS. ROSE REQUEST MS.CHRISTINA FOR WORK DURLING THE SHORT  
STAFF.  
BUT I NEVER THOUGHT STILL CONTINUALLY HARASSMENT.  
I DECLARE THAT I WROTE TRUE AND BELIEF.

FRONT DESK  
MANAGER  
S. SUZUKI



LPR 00004



LEOPALACE  
• RESORT •  
COUNTRY CLUB  
MANENGGON HILLS

# PERSONNEL ACTION FORM

No.: 04-659

CAMACHO, Christina M.		SOCIAL SECURITY NO. REDACTED	
REDACTED		DATE OF BIRTH REDACTED	
EMPLOYEE NO. 00000		MAILING ADDRESS REDACTED	
FRONT DESK		31-5000	
DEPARTMENT		DEPARTMENT NO.	

RELEASED		08/13/04		05/10/04	
EFFECTIVE DATE		DATE OF BIRTH			
Position: Front Desk Clerk		Position:			
Department: Front Desk		Department:			
Salary: \$6.00		Exemption:		Salary: Exemption:	
<input type="checkbox"/> INTRODUCTORY PERIOD					
Remarks:					
<input type="checkbox"/> Recommend Approval <input type="checkbox"/> Recommend Disapproval					
Requested by: DATE: SIGNATURE:					

May Paulino		8/13/04	
PERSONNEL MANAGER SIGNATURE		DATE	
DIRECTOR OF ADMINISTRATION SIGNATURE		DATE	
GENERAL MANAGER SIGNATURE		DATE	

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LPR 00006



AUG 30 2004

TO: LEO PALACE MANAGEMENT  
FROM: JENNIFER HOLBROOK  
RE: LETTER OF RESIGNATION  
DATE: AUGUST 28, 2004

I WOULD LIKE TO INFORM THE LEO PALACE MANAGEMENT THAT I WILL BE RESIGNING AS OF TODAY **AUGUST 28, 2004**. I FEEL THAT MANAGEMENT DOES NOT APPROPRIATELY TAKE CARE OF THEIR STAFF IN MANY MATTERS. I AM SADEN TO LEAVE THIS COMPANY IN SUCH A WAY; THANK YOU FOR THE OPPORTUNITY.

 Thank you,

Jennifer Holbrook

P.S.

*To also find out about a immediate family member my mother having cancer (uterus) which needs immediate attention.*



LPR 00028



LEOPALACE  
• RESORT •  
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MANENGGON HILLS

## PERSONNEL ACTION FORM

No.: 04-552

HOLBROOK, Jennifer Toyo		REDACTED		DATE OF BIRTH
TELEPHONE NO.	MAILING ADDRESS			
03606	Front Desk			31-5000
EMPLOYEE NO.	DEPARTMENT			

NEW HIRE TEMPORARY FULL TIME		06/07/04	06/07/04
EFFECTIVE DATE		DATE OF HIRE	
FROM		TO	
Position:		FRONT DESK CLERK	
Department:		FRONT DESK	
Salary:	Exemption	Salary:	\$8.50 Exemption:
<input type="checkbox"/> ANNUAL		<input type="checkbox"/> INTRODUCTORY PERIOD	
Remarks:			
		<input type="checkbox"/> Recommend Approval <input type="checkbox"/> Recommend Disapproval	
Requested by:			
DATE		SIGNATURE	

May Paulino	SIGNATURE	6/7/04	DATE
PERSONNEL MANAGER	SIGNATURE		DATE
DIRECTOR OF ADMINISTRATION	SIGNATURE		DATE
GENERAL MANAGER	SIGNATURE		DATE

06/07/04  
Forwarded copy  
to Lani

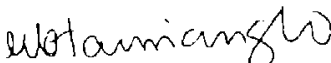
LPR 00039

OCT 14 2004

October 11, 2004

Mr. Suzuki,

This is my letter of resignation. My last day will be on October 23, 2004. I'm sure you are aware of me being unhappy and disappointed in the management for the last couple of months. I have gone through so much emotional stress that it has caused me my health. The management has made me feel that if I cried for help because something was seriously wrong, they won't correct the problem and made me feel that I shouldn't have said anything. It's really sad to know that even how much time invested in the company or how much you have worked so hard and proven yourself trustworthy; they just take you for granted.

  
Rosemarie B. Taimanglo

CC: Human Resource

LPR 00058



LEOPALACE  
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COUNTRY CLUB  
MANENGGON HILLS

FILE

PERSONNEL ACTION FORM

No.: 03-202

REDACTED

TAIMANGLO, Rosemarie B.		REDACTED	
NAME		SOCIAL SECURITY NO.	DATE OF BIRTH
REDACTED			
TELEPHONE NO.		MAILING ADDRESS	
4827	FRONT DESK	31-4000	
EMPLOYEE NO.	DEPARTMENT	DEPARTMENT NO.	

PROMOTION / PAY INCREASE		07/01/03	
ACTION		EFFECTIVE DATE	
FROM		TO	
Position:	Front Desk Clerk	Position:	Supervisor, Front Desk
Department:	Front Desk	Department:	Front Desk
Salary:	\$8.50	Exemption:	
Salary:	\$11.50	Exemption:	
Remarks: <input type="checkbox"/> Merit <input type="checkbox"/> Annual <input type="checkbox"/> Introductory Period			

	<input type="checkbox"/> Recommend Approval <input type="checkbox"/> Recommend Disapproval
Requested by:	

May Paulino	<i>May Paulino</i>	7/1/03
PERSONNEL MANAGER	SIGNATURE	DATE
Jose Manzon IV	<i>Jose Manzon IV</i>	07/01/03
DIRECTOR OF ADMINISTRATION	SIGNATURE	DATE
GENERAL MANAGER	SIGNATURE	DATE

LPR 00091

OCT 18 2004

Viviene Villanueva  
**REDACTED**

---

October 15, 2004

Mr. Satoshi Suzuki  
Front Desk Manager  
LeoPalace Resort  
221 Lake View Dr.  
Yona, Guam 96915

Re: Two-weeks Notice of Resignation

Dear Mr. Suzuki,

Greetings!

It has been a great honor working for you until bad things started happening one after the other. Many problems have been voiced out not only at Front Desk but as well as the poor management of LeoPalace Resort itself. Not only I see it but other staffs do too that none of the problems were resolved. I have tried so hard to stay. However, one has to make a tough and hard decision when too much stress and healthwise are at risks. In the light of this, I would like to inform you that I am tendering my resignation effective October 29, 2004.

I look forward for your understanding and consideration.

Sincerely yours,

  
Viviene Villanueva

LPR 00134



LEOPALACE  
• RESORT •  
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MANENGGON HILLS

### PERSONNEL ACTION FORM

No.: 04-795

REDACTED

VILLANUEVA, Vivienne D.V.		REDACTED	
NAME		SOCIAL SECURITY NO.	DATE OF BIRTH
REDACTED			
TELEPHONE NO.		MAILING ADDRESS	
03062		Front Desk	31-5000
EMPLOYEE NO.	DEPARTMENT	DEPARTMENT NO.	

RESIGNATION		10/29/04	06/02/03
ACTION		EFFECTIVE DATE	DATE OF HIRE
FROM		TO	
Position:	FRONT DESK CLERK		
Department:	FRONT DESK		
Salary:	\$6.00	Exemption:	
<input type="checkbox"/> INTRODUCTORY PERIOD			
Remarks:			
		<input type="checkbox"/> Recommend Approval <input type="checkbox"/> Recommend Disapproval	
Requested by:			
DATE		SIGNATURE	

May Paulino	<i>May Paulino</i>	10/29/04
PERSONNEL MANAGER	SIGNATURE	DATE
<i>Il. B. ...</i>	<i>Il. B. ...</i>	10/29/04
DIRECTOR OF ADMINISTRATION	SIGNATURE	DATE
GENERAL MANAGER	SIGNATURE	DATE

*Removed from Admin.*

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LPR 00139

LAW OFFICES

**TEKER TORRES & TEKER, P.C.**

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Samuel S. Teker

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Of Counsel:  
Nagatomo Yamaoka

August 16, 2004

**VIA FACSIMILE NO.: 471-0035**

Mac Paulino  
Human Resources Manager  
Leo Palace Resort  
Menenggon Hills, Yona, Guam

***Re: Rosemarie Taimanglo, Jennifer Holbrook and  
Vivienne Villanueva - Sexual Harassment Claims  
Against Leo Palace Resort.***

Dear Ms. Paulino:

This letter is to advise you of the very serious charges and sexual harassment claims that Ms. Rosemarie Taimanglo, Ms. Jennifer Holbrook and Ms. Vivienne Villanueva have against the Leo Palace Resort ("the Company"). My office represents Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva. As you know, Ms. Taimanglo is your front desk supervisor and has been with the company for ten (10) years. Ms. Holbrook has been employed with the company for the past two and a half (2½) months and was a previous employee of the company. She is employed as a front desk clerk. Ms. Villanueva has been employed by the company for fourteen (14) months as a front desk clerk. Ms. Taimanglo earns Eleven Dollars and Fifty Cents (\$11.50) an hour, Ms. Holbrook earns Six Dollars and Fifty Cents (\$6.50) an hour and Ms. Villanueva earns Six Dollars (\$6.00) an hour.

Several recent Supreme Court decisions have identified a violation of Title VII of the Civil Rights Act of 1964. The United States Supreme Court has identified what types of conduct constitute sexual harassment and has ruled that employers have to show that they exercised reasonable care to prevent or promptly correct any sexually harassing behavior to avoid liability.

The Company employed Christine Camacho as a front desk clerk since May 2004. She worked alongside other front desk clerks including Ms. Holbrook and Ms. Villanueva. They all worked under the supervision of Ms. Taimanglo or Greg, the night supervisor. Over the past ten (10) weeks, Ms. Camacho has repeatedly conducted herself in a sexually offensive and unwelcomed manner when interacting with Ms. Taimanglo, Ms. Holbrook, Ms. Villanueva and other Company

LPR 00182

employees. Your front desk employees, including Greg, the night manager and Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva all complained to Mae Paulino in Human Resources more than six (6) weeks ago. On or about July 1, 2004, they complained about Ms. Camacho's sexual harassment conduct and *nothing* was done about their complaints. Management personnel including, Mr. Hong, who is an assistant sales manager, Mr. Suzuki and Mr. Ijima were aware of Ms. Camacho's offensive behavior, but they did nothing to intervene or curtail Ms. Camacho's behavior or remove her from the hostile environment created by her continued employment.

On numerous occasions over the past ten (10) weeks, Ms. Camacho made unwelcomed, rude, sexually explicit comments and acted out in a sexual way towards Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva. A brief summary are as follows:

(A) Since Ms. Camacho was hired, she has consistently used vulgar language and sexual references in front of her co-workers and, on occasion, guests of the hotel. Obscene words are inappropriate in the workplace and she was repeatedly warned by Ms. Taimanglo and her co-workers to stop swearing in the workplace. Ms. Holbrook and Ms. Villanueva also told Ms. Camacho that her constant swearing and sexual references offended them and told her to stop. Regardless, Ms. Camacho never changed her pattern of offensive speech.

(B) Two weeks ago, Ms. Camacho approached Ms. Holbrook and asked "Have you ever tried having oral sex during your period?, I have done it with Jessica (her girlfriend) and it doesn't taste so bad. Would you like me to try it on you?" Ms. Holbrook looked at her in disgust and told her to get away from her and to

around the same period of time, Ms. Camacho approached Ms. Holbrook and stated "You make me wet!"

(C) On numerous occasions over the past (2) months, Ms. Camacho has made sexually explicit offensive jokes and has been told by Ms. Taimanglo and her co-workers to stop such behavior and that they find it offensive.



(D) In early June, Ms. Camacho grabbed Ms. Holbrook's arm and raised it up to her breast. Ms. Holbrook yanked her arm away and yelled at Ms. Camacho to stop.

(E) In June, while working at the front desk, Ms. Villanueva was grabbed from behind by Ms. Camacho who then proceeded to "sexually hump" Ms. Villanueva. That incident should have been captured by the security cameras. Despite Ms. Villanueva's loud objections, no one came to her assistance.

(F) On July 7, 2004, Ms. Camacho walked up to Ms. Holbrook from behind and slapped her on her buttocks in an extremely hard manner. Ms. Holbrook screamed and was very upset. The sound of the slap and Ms. Holbrook's loud scream caused Mr. Hong, who was in the office behind the front desk, to come out to see what had happened. Mr. Hong asked what happened but despite being told what happened he did nothing. After she slapped Ms. Holbrook, Ms. Camacho stated to Ms. Holbrook "Sorry, I can't help myself." The incident should have been seen by security and recorded on the surveillance cameras but no one responded to investigate the violent incident.

(G) On August 10, 2004, at approximately 6:30 a.m., Ms. Camacho walked up behind Ms. Taimanglo and slapped her hard on the buttocks. Ms. Taimanglo was extremely upset by what happened and yelled at Ms.

because no one at the Company helped. It was the second time Ms. Taimanglo was slapped on the buttocks by Ms. Camacho. The first time occurred a month earlier when Ms. Taimanglo and Ms. Camacho were exiting the van. That incident was witnessed by co-employees, including Joseph Ishizaki.

Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva brought their Complaints, on or about July 1, 2004, to Mae Paulino in Human Resources but no action was taken to separate Ms.

Camacho from her fellow co-workers or to deal with the employee's complaints. That was especially disheartening to Ms. Taimanglo who felt that the Company would not question her veracity and immediately take action on the complaints. Instead, Mr. Suzuki was consulted and he did not want to terminate or remove Ms. Camacho from the front desk. He said the company was "short of staff." Upset with the Company's response to their complaints but not wanting to jeopardize their job, Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva simply tried to ignore Ms. Camacho and endure, but it has finally become too much. At no time did anybody from the Company inform Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva that their complaints would be taken care of nor were any written statements requested from the employees.

Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva often told Ms. Camacho that her actions and comments were offensive and unwelcomed and that she had to stop. My clients did not know how else to handle the situation since their complaints went unheeded despite management being witness to, or aware of Ms. Camacho's behavior. My clients tried to ignore Ms. Camacho's behavior but the hostile environment created by both Ms. Camacho's actions and the Company's non-action to the employees complaints created a stressful, fearful, tense and nearly unbearable work days behind the front desk. After the initial formal complaints, Ms. Camacho's illegal actions escalated when she physically assaulted Ms. Taimanglo and Ms. Holbrook by slapping them hard on their buttocks and when she physically assaulted Ms. Villanueva by grabbing her and simulating a sex act.

Last Tuesday, my clients again took these complaints to Human Resources. On Wednesday, August 11, 2004, Ms. Paulino summoned Ms. Camacho for a meeting and also summoned Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva. Ms. Paulino disclosed to Ms. Camacho that Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva were the complaining parties were and what their complaints were. When they all went back to work together, the atmosphere at the front desk was hostile and more tense than ever. Ironically, the complaints of sexual battery of Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva are easily verified because there are security cameras that record the activities behind the front desk. Those cameras would verify all of the physical actions and acting out of Ms. Camacho. Ms. Camacho was later sent home for the day but was not terminated, suspended or reprimanded. On Thursday, August 12, 2004, Ms. Camacho returned to work. At 11:00 a.m. on Thursday, August 12, 2004, Ms. Camacho was ordered to leave the day out and (1) hour later, despite the order to leave, she was still on the premises.

The comments and behavior of Ms. Camacho are extraordinary for their illegality in the workplace as well as their offensive and obscene nature. Her behavior does not belong in the workplace and I can't think of a situation where they do belong. Ms. Camacho's demeaning comments directed at Ms. Holbrook and other company employees were not misplaced attempts at humor and cannot be defended by any analysis. Ms. Camacho's actions left Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva stressed, fearful, upset and confused about what to do.

LPR 00185

*The law and the Leo Palace Resort's policies.* The Company's response to the numerous actions of Ms. Camacho have been fully deficient and do not even come close to complying with the law. I reviewed the Company's Employee Handbook and it clearly states the Sexual Harassment Policy of the Company. The Policy states that if someone thinks they have been subjected to Sexual Harassment they should report it to the Human Resources Department and "the Human Resources Department will conduct a full investigation into all of the surrounding circumstances..." The policy also states "This is a sensitive area of concern and care will be taken to protect the privacy and reputation of all concerned. To the best extent possible, we will attempt to keep confidential the identity of the employee reporting the incident involving discrimination or harassment. If the report appears to have merit, appropriate disciplinary action will be taken against the offender..." The final decision rests with the General Manager or his/her designated representative." The Company's sexual harassment policy certainly was not followed in this case. The Company failed to comply with Federal Law and provided no direction or relief for Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva to follow, instead throwing them back into the same hostile environment they knew.

The United States Supreme Court in 1998 clarified the law regarding sexual harassment claims in two cases, *Faragher v. City of Boca Raton*, 524 U.S. 775, and *Burlington Industries v. Ellerth*, 524 U.S. 742. The Supreme Court announced a three-step approach to be used in deciding liability in sexual harassment claims. First, if a supervisor's harassment results in a victim suffering a "tangible employer action," such as discharge, demotion or undesirable reassignment, the company is always liable for paying damages. Second, even if a victim has not suffered a job loss, the employer is strictly liable for its harassment, but can raise a defense as set forth in the third step of the analysis. Third, the company may head off liability or significant damages for a "hostile environment" harassment by proving its innocence. The employer must show that it took "reasonable care" to prevent and correct any "harassing behavior," that it responded promptly to any hints of trouble, and the plaintiff "unreasonably failed" to complain about abuse. The employer has the burden of proving both of the elements by preponderance of the evidence.

The Company failed to meet the requirements of the *Faragher* decision to avoid liability for sexual harassment. The Company did not take any action to prevent harassing conduct as required by *Faragher*. It was not until Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva complained again on August 10, 2004 that anything was done and then the Company's remedy was to send Ms. Camacho home for the day without any explanation to my clients of what was needed from them or what to expect next.

It is not my clients' present desire to take this matter to Court but if that happens there are many issues that the Company would be forced to deal with in a courtroom response to these claims. Where is the sexual harassment training? Why wasn't the Company's sexual harassment policy followed? Where is female sensitivity training? Where was the proper investigation and

response? Why was Ms. Camacho hired? How many bites of the apple does Ms. Camacho get? Why was her known behavior tolerated? Why is being "short of staff" considered a defense by the Company.

The Company has clearly failed to comply with the Title VII standards as set out in the *Faragher* and *Burlington Industries* cases. It also failed to comply with its own sexual harassment policy. This may well be a very embarrassing situation for all and Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva, through no fault of their own, have had to bear the brunt of Ms. Camacho's illegal conduct. Although Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva want to put this behind them, they still experience anger and anxiety about Ms. Camacho. In fact Ms. Camacho was allowed to linger on the premises after she was told to go home and also was allowed to be a guest of the hotel last Sunday. Her actions were intimidating to the front desk staff.

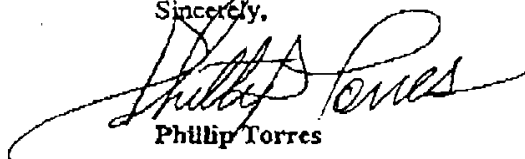
Nonetheless, Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva would like to resolve their claims with the Company in a quiet, non-disclosed, confidential manner. They have suffered direct economic harm by using sick leave because of Ms. Camacho's behavior, and are still traumatized by Ms. Camacho's behaviors. They all complain of similar symptoms that they have been suffering from, including loss of concentration, headaches, stress, sleeplessness, loss of appetite and anxiety. They each have families and need their jobs and incomes, but it may well be that any settlement may result in their leaving their position. However, at this point, they wish to retain their positions with the Company.

The Company must take responsibility for Ms. Camacho's actions and its own inactions. It should provide renewed sexual harassment training for its Company management and employees since they were aware of, and condoned, the actions of Ms. Camacho. Ms. Taimanglo, Ms. Holbrook and Ms. Villanueva also believe that some female sensitivity training is necessary with the Company because they don't seem to appreciate the nature of the harm that has been dealt to my clients. Finally, my clients seek a combined monetary compensation, as a settlement of their claims against the Company, of damage

REDACTED

I have discussed this case with the EEOC in Hawaii but have not filed a formal complaint, as yet. We would prefer to resolve this matter without that formality. Please review this letter with the necessary parties and get back to me within the next seven (7) days, if possible.

Sincerely,



Philip Torres

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